

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 6741-J
CAPITOL OIL COMPANY, INC.)	

O R D E R

On February 21, 1978, the Commission issued its Order in Case No. 6741 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On December 29, 1987, Capitol Oil Company, Inc., ("Capitol"), formerly Capitol Oil and Gas Company, notified the Commission that it had overcollections to return to its customers and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Capitol has over-collections of \$2,069 to return to its customers. A refund factor of 79 cents per Mcf should be used as a reduction in the purchased gas adjustment.

(2) The refund factor should remain in effect for the month of December or until such time as the full amount plus interest has been refunded.

(3) Capitol should refund the amount reported plus interest at a rate equal to the average of the "3-Month Commercial Paper Rate" less 1/2 of 1 percent to cover the cost of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

IT IS THEREFORE ORDERED that:

(1) Capitol shall apply a 79 cent refund factor as a reduction in the approved purchased gas adjustment during the month of December 1987, remaining in effect until the total amount refunded will, as nearly as possible, reflect excess revenues collected plus interest.

(2) Within 30 days of the date of this Order Capitol shall file with this Commission its revised tariffs setting out the refund factor authorized herein. All other rates and charges shall remain in full force and effect.

(3) Within 30 days of the date the refund is terminated Capitol shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this

21st day of January, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hermann, Jr.
Chairman

Robert M. Davis
Vice Chairman

Spencer W. Williams, Jr.
Commissioner

ATTEST:

Executive Director